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HOPE FOR DEBT RESCHEDULING STILL HIGH

Karachi MORNING NEWS in English 28 Jan 80 p 4

[Editorial: "Debt Rescheduling"]

[Text] The State Bank Governor, Mr A G N Kazi, has expressed firm hope that Pakistan's debt would be rescheduled shortly. The hope is encouraged by the vastly changed international situation. In view of the geo-political changes that have taken place in the region following the Soviet action in Afghanistan, it can be safely presumed that Pakistan's long-resisted plea for debt relief will receive a positive reconsideration from the Consortium countries on an urgent basis. In this connection, the forthcoming visit of the World Bank's Vice-President for South Asia, Mr W. David Hopper, early next month is being looked forward to with an air of expectancy. It may be pointed out here that it is the World Bank which normally coordinates the creditors' policy on the issue.

It is, indeed, unfortunate that despite Pakistan's repeated requests for the past two years or so for the rescheduling of debts, the creditor countries, especially the United States, have been dragging their feet shutting their eyes to the serious strains the country's economy has been subjected to due to the unfavourable tenor of the balance of payments. However, in the changed circumstances, there are strong indications that the aid giving countries would relent in Pakistan's favour and agree to a substantial rescheduling of repayments for the next three or four years even earlier than the routine Consortium meeting due in late February.

As the creditors declined to concede Pakistan's request for debt relief in June last year, it has been compelled to make drastic adjustments to absorb the shock of its sharply enhanced debt-servicing liability. Pakistan has taken all possible care to avoid unilateral default. Only last month, the country paid 140 million dollars on old loans. But the fact remains that the country cannot stand the heavy strain of debt repayment without serious repercussions on the economy. Hence, a generous debt relief would be welcomed even at this late stage in view of the ominously tight financial situation.

At the end of the first quarter of the current fiscal year, Pakistan faced the liability of 985 million dollars to service both long-term and short-term credits. With the depletion of the reserves, the country had to resort to the negotiation of short-term credits, emergency curbs on imports and reduction in development and non-development expenditure. Although the situation at present is not as grim as then because of anticipated increase in cotton exports, the economy still remains under pressure from external factors like unpredictable oil price hike which has pushed the oil import bill to 1,200 million dollars.

By the end of the fiscal year 1977-78, Pakistan's outstanding external debt stood at over 7 billion dollars. Of this, 2 billion dollars are repayable to the USA, over 2.5 billion dollars to Western Europe and Japan and more than 1.2 billion dollars to international institutions. We owe the balance to other sources. This includes over 1.1 billion dollars repayable to the OPEC countries and about 500 million dollars to the Socialist countries.

It was against this backdrop that Pakistan sought rescheduling of 75 percent of the debt outstanding on June 30, 1978. This implied a relief of 420 million dollars in 1979-80. But as the climate is now conducive to the rescheduling of debts, Pakistan Government would do well to press for bigger relief. This alone can enable the country to restore the Rs. 200 crore cut in the development expenditure and ensure maximum utilization of the aid received for meeting the serious resource constraint thereby lending speed and energy to the effort for speedy growth of the economy.

CSO: 4220

COMBINE MANPOWER EXPORT WITH OTHER TYPES OF COOPERATION

Dacca THE BANGLADESH TIMES in English 28 Jan 80 p 5

[Editorial: "A Manpower Base"]

[Text] New vistas of diversified cooperation with African and Middle Eastern countries are opening for us lending an altogether special kind of meaning to manpower export. Apart from skilled and unskilled labour, our collaboration in technical, professional and trade fields is on demand in those countries.

Regarding manpower itself, a five-year projection has it that at least one million Bangladeshis may find jobs in Africa and Middle East in that time. But this prospect is not the only outcome of the visit recently made by Deputy Prime Minister Mr S. A. Bari to those parts of the world. We seem to have very good opportunities not merely to raise the level of foreign exchange earnings but also to utilize them in newer fields generating long-term benefits for us. Utilization of increased remitted money to Bangladesh for positive purposes has looked somewhat uphillish so long. The following line of arguments may sound hope giving in this context.

Countries interested in our manpower have also sought our intrinsic cooperation in the fields of education, construction, farming, plantation, insurance, banking, civil aviation and culture and sports meaning that they want to gain from our skill in such areas. Bangladeshis earning abroad may be induced to invest their money in government bonds and securities with such investments earmarked for expanding training and research facilities in the country. This move will help consolidate the usual benefits of manpower export at the same time as it would grow the trust of many brother nations in our techniques, expertise and even goods. This kind of goodwill usually forms the basis of durable and mutually beneficial friendship between one country and the other. Just as we shall be able to turn out increasing numbers of professionals for feeding the skill short countries, the latter too may find it worthwhile to send people here for obtaining some useful training. Another aspect to it is that our own physical infrastructure for research and training will have been refurbished in spite of domestic resource constraints.

Manpower export, over the long haul, cannot prove to be an inexhaustible source of revenue earning nor can it be divorced from minding our own needs. That is why we may have to increasingly resort to monetarily beneficial contractual relationships with friendly states in the fields of construction, education, agriculture, banking, civil aviation and the like.

CSO: 4220

NETHERLANDS AID ON RAJSHAHI WATER PROJECT

Dacca THE BANGLADESH TIMES in English 28 Jan 80 pp 1, 12

[Text] Bangladesh and Netherlands on Wednesday signed two agreements for cooperation in the implementation of a water supply project in Rajshahi (under Public Health Engineer isg) and an integrated rural development programme for Kushtia during the coming fifteen months. The Netherlands Government would provide DFL two million to carry out a feasibility study for the Rajshahi urban area water supply improvement project. This would come in the shape of technical assistance for experts services, equipment deep tube-well drilling and the like. Under the second agreement the two countries would collaborate in undertaking a rural development pilot project covering three thana of Kushtia district namely Meherpur (excluding Pourashava areas) Daulatpur and Gangni.

The Netherlands Government would make available DFL 2.70 million as Special Grant for necessary technical support expertise and equipment for the project.

Objectives of the pilot project are defined as follows: (a) to strengthen the socio-economic position of the rural poor in these thanas, (b) to assist them plan and raise family-income through income and production promoting activities, (c) to provide them, with necessary training inputs as well as marketing and storage facilities and (d) to provide them with supervised credit and extension facilities to ensure optimal use of all inputs.

Mr. M Saadat Hussain Joint Secretary of the External Resources Division and Mr T F, The Charge d'Affaires of the Royal Netherlands Embassy in Bangladesh signed the agreements at the Bangladesh Planning Commission Wednesday morning on behalf of their respective governments.

CSO: 4220

INCREASING EXPORTS URGED

Dacca THE BANGLADESH OBSERVER in English 28 Jan 80 p 4

[Text] In the context of our increased import expenditure the increase in our export earnings is encouraging but still there is a wide export-import gap. The country's export income increased by 66 percent during the last four years. This year's export target was set at Taka 1100 crore but the import expenditure also increased quite disproportionately. During the year 1976-77 import expenditure was Taka 1400 crore, in 1977-78 it went up to Taka 1800 crore and in 1978-79, according to the Commerce Minister's recent statement, it is expected to stand at about Taka 2500 crore. On the other hand export earnings were Taka 625 crore, Taka 741 crore and Taka 917 crore respectively during these years. This shows the imperative necessity to redouble our efforts to shorten this gap.

The important aspect of our export trade is that the lion's share is accounted for by jute and jute goods. Bangladesh which exports more of primary products than finished ones can ill afford to balance import and export in a shorter time dimension. According to the Bangladesh Bank annual report the export earnings exceeded the target by a few crore Taka during the 1978-79 financial year. What is worth-noting here is that this is due to favourable price situation of jute, jute goods and leather in the international market. This means that increase in export earnings is ascribed to favourable price than to favourable increase in export volumes. On the contrary, the increase in the prices of imported goods is much more than that of primary products from developing countries. As a result the country has to pay more for the same amount of imports now than it receives for its exports. Besides, the traditional items like jute goods also face competition from synthetic products produced in developed countries. Due to import-export gap we have to depend more and more on foreign aid for meeting our import requirements.

This situation calls for giving more emphasis than ever before on export-oriented and import-substitution industries mainly based on our indigenous raw materials. So far as machines and spares for these industries, are concerned, encouragement and patronage should be given for the development

of skill and technology as an element in making industrial growth progressive and sustaining. Increased production for comfortable surplus should be ensured and quality control measures particularly in the export-oriented industries strengthened.

Government has been giving more facilities for export-oriented industries but, as President Ziaur Rahman pointed out in his recent speech while awarding export trophy for 1977-78, the industrialists are more eager in domestic 'sheltered' market than producing quality exportable items.

According to a report government is contemplating to set up more free export processing zones other than the already proposed one at Chittagong. This would help boost our export. In some countries of South-East Asia such free zones are already functioning. Government has, of course, to keep strict watch on the misuse of the facilities extended to these projects in the interest of the country's economy.

Side by side with the traditional items, exporters should take lead in non-traditional items like fish, shrimps, froglegs, naptha, furnace oil, etc. Improvement in credit, marketing and shipping facilities to ensure increase in export of non-traditional items is essential. At present these facilities are reportedly inadequate to meet the needs.

Though our export income has increased we cannot feel complacent in view of the mounting import expenditure. With increased exports as well as export earnings the prospect of building the economic structure brightens.

CSO: 4220

TEA PRODUCTION, EXPORT FALL

Dacca THE BANGLADESH TIMES in English 17 Jan 80 p 7

[Text] Production and export of tea during the second half of the last year registered a fall, reports BSS.

According to Bangladesh Tea Board, tea production fell by the nine per cent during April-December last year. Production during the time was 75.66 million pounds as against 82.91 million pounds during the corresponding period of the preceding year. The board observed, severe drought that prevailed during the early part of the season was mainly responsible for the fall in the production of tea.

The cumulative quantity of tea exported during July-December period of 1979 was 24.82 million pounds compared to 39.89 million pounds of the corresponding period of the previous year. Tea Export had fallen due to difficult international economic situation resulting in lower import by the consuming countries, the tea board opined.

The export earnings from tea also declined during July-December period of the last year due to slump in world tea trade causing a fall in the price to the extent of ten percent. Taka 245.20 million was earned during the period as against Taka 413.20 million of the corresponding period of the previous year.

CSO: 4220

DISTRICT AGRICULTURE BODIES FORMED

Dacca THE BANGLADESH OBSERVER in English 17 Jan 80 p 1

[Text] The government has formed district agriculture committees in each of the districts in the country to ensure doubling of food production, reports BSS.

The committees headed by a Minister hailing from each district are composed of two local MPs as Vice-Chairman and all other MPs local officials from Department of Agriculture, Water Development Board and Bangladesh Agriculture Development Corporation and representatives of the public as members. The Deputy Commissioner of the district will act as Member-Secretary.

The committees will supervise the excavation and reexcavation of canals for irrigation supply of power pumps agricultural implements, fertilizer, seeds, insecticides and pesticides and other inputs and repair and maintenance of agricultural appliances.

The committees will also be responsible for planting and protection of trees on roads, railway lines, canal and embankment sides development of pisciculture and for taking any other measures necessary for achieving the target of doubling food production and overall agricultural development of the districts.

CSO: 4220

NO DACCA PROPOSAL ON LINK CANAL

Dacca THE BANGLADESH OBSERVER in English 31 Jan 80 p 1

[Text] Bangladesh had never made any proposal for linking the Brahmaputra with the Ganges by a link canal to augment the dry season flow of the Ganges.

A spokesman of the Ministry of power, Water Resources and Food Control told BSS on Wednesday that Bangladesh proposal considers that there is enough waters in the Ganges basin to meet the requirements of both India and Bangladesh.

Commenting on a statement of the Indian Irrigation Minister Mr A. B. A. Ghani Khan Chowdhury in the Indian Lok Sabha yesterday and reported by an Indian news agency, the spokesman said that the news item as published in a section of the Press is likely to "create confusion in the minds of the readers."

The spokesman said that Bangladesh proposed construction of a number of reservoirs in the Ganges tributaries in both Nepal and India to store the monsoon supplies in the river's system for subsequent release in the dry season.

He said that the water stored in the monsoon in the proposed reservoirs in Nepal alone and released in dry season later can more than double the "present quantum of flow in the Ganges in the dry season at Farakka."

The Bangladesh proposal also stipulated construction of a navigational channel from Nepal to Bay of Bengal through India and Bangladesh using the existing river systems of Bangladesh.

Clarifying the situation the spokesman said that it was the Indian proposal which sought to transfer the Brahmaputra waters to the Ganges through a link canal.

The spokesman said that the news item quoting the Indian Irrigation Minister by PTI and published by different newspapers particularly the heading of a

Bengali daily are at variance with each other relating to the speech of the Minister and "it is likely to create confusion in the minds of the people."

The spokesman said: "It is, therefore, clear that Bangladesh did not make any proposal for linking the Brahmaputra with the Ganges by a link canal to augment the dry season flow of the Ganges as might be construed from reading the news item particularly the heading of a Bengali daily."

CSO: 4220

COOPERATIVES KEY TO DEVELOPMENT THRUST

Dacca THE BANGLADESH OBSERVER in English 28 Jan 80 p 1

[Text]

COMILJA, Jan. 27:—The co-operators of Chittagong Division have agreed to declare 1980 as the "Year of Cooperative", reports BSS.

This was announced in presence of President Ziaur Rahman at a conference of the representatives of the cooperative societies held here this afternoon.

Addressing the co-operators, President Zia emphasised the need for making the cooperative movement a people oriented one for the overall economic, social and political development of the country in the shortest possible time.

He mentioned that henceforth the cooperative would be the central theme of all our national development works. He said a political decision was necessary for the success of any movement and added that this vital decision had now been taken in respect of the cooperative movement in our country.

President Zia said the Bangladesh Nationalist Party (BNP) will not only extend its cooperation but also will come forward with all forms of assistance for the success of this movement.

The BNP leaders and workers have already been directed to help formation of cooperative societies at village level.

President Zia declared that he himself is a dedicated and front-ranking cooperator and expressed confidence that the country would soon make its existence more conspicuous in the field of economic development and occupy its rightful place in the world.

Explaining the significance of

the cooperative movement vis-à-vis the Revolution, President Zia reiterated that the Revolution and the cooperative movement were synonymous and so, the people must dedicate themselves to cooperative movement with a spirit of greater sacrifice for quickening the pace of the current Revolution for doubling food production.

President Zia exhorted the people to take cooperative as a way of life. The cooperative system, he added, had the sanction of religion.

The President said that in the past cooperatives could not make much headway because of weak leadership—which did not go to the people to popularise it. Now the people's thinking has undergone radical changes and they will no more accept the urban-based leadership which always played an anti-people role in the interest of its colonial masters, he added.

The President said that the people have joined the Revolution now in progress in the same bold spirit with which they participated in the War of Liberation in 1971.

He asked the BNP men and leaders to go to the masses to organize them and provide leadership form amidst, them (the people).

The President urged the co-operators to work with a spirit of dedication and sacrifice so that the next generation could reap the benefit and pass their days better.

Thanking the cooperators for their pledge to develop cooperative societies in all the villages of Chittagong Division, the President said that the cooperators in Dacia and Rajshahi Divisions also had taken similar vows.

President Zia announced that during the first week of March the national conference of cooperators will be held in Dacca. He hoped that all the cooperators will put forward their suggestions in the conference.

In his speech Mr Abdul Halim Chowdhury, Minister for Cooperatives and Rural Development said that President Zia had radicalized the cooperative movement of the country by linking production with distribution.

Information and Broadcasting Minister Mr Habibullah Khan was also present at the conference.

Earlier, President Zia went around a stall which displayed the products of Cornilla Cooperative Karkhana.

On his way from Sarail to Debidwar, the President visited the winter training camp of an Army unit.

CSO: 4220

BANKS' EXPANSION PROGRAMME

Dacca THE BANGLADESH OBSERVER in English 30 Jan 80 p 5

[Article by Abdul Jalil]

[Text]

THE six nationalised commercial banks and Bangladesh Krishi Bank started functioning with 1147 branches of different public shared and privately owned working in Bangladesh till March 31, 1972. After 8 years on June 30, 1979 total number of scheduled banks including 13 working abroad stands at 3241. Annual growth rate of bank branch network is, therefore, more than 30% as against 4% in Pre-liberation period.

The total number of employees in banking sector including Bangladesh Shilpa Rin Sangstha (BSRS) was 21646 in March, 1972; and it was exactly at 37155 on December 31, 1978 registering 72% increase over a period of 5 years. Over 5000 employees including officers of all cadres celebrated last annual closing ceremony. Thus in a period of 8 years banking industry provided employment to at least 32,000 men and women.

One adult earning member of this poor over-populated country feeds and sustains on average a family of 6 members. Hence banking sector alone has provided subsistence to additional 1,92,000 hungry mouths. Any attempt for assessing banks' performances should not lose sight of these social benefits offered by banks.

The changes that occurred and still occurs in the orientation and therefore, in the services can be narrated in nutshell, in the following four major heads.

1. There has been perceptible shifts from exclusively trade and commerce sector to agricultural sector. 2. Shift from class banking to mass banking. 3. Shift from exclusively urban areas to include rural areas. 4. Shift from following the economic growth to leading or becoming a partner in the development.

An analytical study with statistical support of the past changes can provide a realistic basis and workable guideline for the bank management to embark upon balanced expansion programme for the next few years. Expansion will come as an inevitable response to socio economic needs. Once the bank management is convinced of inevitability of a more rapid/ expanded network then they can plan as to how many branches are to be opened in what time and how? All these questions are answered in paragraphs that follow.

In the present context, the first approach should perhaps be finding out larger number of 'credit outlets' in rural sector and an effective credit delivery and recovery system.

In fact this process is under way for the last three years since big thrust was given by hundred crore Special Agricultural Credit System. A more conscious and pre-planned activity is called for only to add momentum to the already initiated process. The following Table amply exhibits galloping shift, towards rural sector.

The increase in the number of the rural branches coincides directly with expansion of credit quantum in agricultural sector. Till end 1970 the banks were predominantly urban based. Owned, managed and controlled by private ownership, the commercial banks with the motive of maximising profit opened branches at places where deposit potentialities were high enough. The meagre advances made were primarily in trade and commerce and speculative investments. The smallest portfolio for agricultural produces like jute tea and tobacco were limited to trade only and not for production. Farmers' repairs and middle trades men were financed. Farmers had no access to bank credit. It was rather the era of 'class banking' wherein a class of people at high stratum of society reaped the benefits of banking services.

Political independence ushered in a new era which offered opportunity for social control over resources and paved a way for economic emancipation. In March 1972 rationalisation of banks heralded the new era of 'mass banking'. Banks started to expand network at the places not with prime objective of getting deposits but to find out suitable outlets for bank credits and similar benefits to the mass. The progress towards movement to rural area was relatively slow till end 1970 maintaining urban rural ratio at 57:43. All banks of course did not maintain the same growth rate of rural branches.

AS ON	NUMBER OF BRANCHES.			
	URBAN	RURAL	TOTAL	RATIO
31.3.72	843	304	1147	73:27
31.12.76	1062	805	1867	57:43
30.6.79	1283	1996	3281	38:62

Till then the prime bank of the country maintained growth rate of rural branches at 120.4% followed by 93.2% and 100.5% increase by second and third bank. No data is immediately available to compare the rural credit quantum of different banks up till December 1976. The poor performances of six nationalised banks till 1976 and subsequent credit growth can be observed from the following table.

DISBURSEMENT OF AGRICULTURAL CREDITS BY SIX NATIONALISED BANKS

	IN CRORE TAKA		
	1975-76	1977-78	1978-79
Normal programme.	20.61	28.54	44.08
Special programme	—	32.08	28.87
Total	20.61	60.62	72.95

An analytic view of table I & II will amply justify the proposition that expansion of bank branches are necessitated with the increase of loan quantum in agricultural sector. Till end 1978, the major credits were distributed to growers of paddy tobacco, sugarcane by Sonali Bank under indirect scheme through the secured umbrella of IRDP and other sector corporations. It had to open branches in headquarters of thanas taken by IRDP. Other banks were relatively hesitant to finance for production. As such total loan quantum was low and rural branches were scanty.

One hundred crore taka special agricultural credit scheme gave a big push to this slow movement. The first year registered an increase by more than 400%. Following year, though experienced a retarded growth rate had total accumulated outstanding loan of Tk 210 crore as on 31.12.1978 as reported in Bangladesh Bank Annual report. Explanation for progressive increase in loan quantum in normal programme too (outside SCAP) can be found in the proposition that SCAP necessitated quick development of an infrastructure branch network manpower

structure etc. that offered the banks the unique advantage to accommodate comprehensive credit needs of various strata and occupations of the rural population. Outside one hundred crore taka agricultural credit programme (SCAP) nationalised banks are financing pond fishing, beekeeping, horticulture, sericulture, poultry farming, dairy farming, small cottage industries and trades. The amount of loans are increasing gradually leading to proportionate increase in number of rural branches as shown in above tables.

In our existing flood-ridding communication system banks can serve and administer effectively only when farmer's household and landholdings exist within the radius of five miles of loan giving branch. A sample survey conducted after one year's operation of one hundred crore taka special agricultural credit programme (SCAP) revealed that 79% of the branches had to distribute loans to farmers living outside the radius of 5 miles. In other words only 21% of branches entrusted with disbursement of loan under SCAP could serve the clients from own station. 43% had the jurisdiction of 5-10 miles, 29% had 10-20 miles and 7% branches had to serve the farmers living 20-26 miles off.

This situation has necessitated accelerated expansion of branches. The position has improved slightly with the opening of 1191 rural branches in two and a half years. To have one bank branch in every 5 miles an additional number of approximately 850 branches will be required to bring the whole country into the orbit of effective credit service. However, to avoid the danger of large-scale credit default immediate requirement is to have at least one branch in one union.

Only a very small fraction of 1996 rural branches shown in table-II are situated really in rural area. Because 'Urban' area is defined as an inhabitation of roughly 5000 people living in municipal and corporation areas. Hence so called rural branches are situated mostly in thana headquarters, business centres and big bazars.

To have one branch in one union roughly 4500 branches are to be opened in not more than 3 years hence.

Bangladesh Bank's administrative pressure and allocation of unions to individual banks have added momentum to expansion programme. Each bank can now open branches only in unions allotted to it under SCAP.

This arrangement has thrown challenge to individual banks to demonstrate definite progress in the form of deposit mobilisation, credit management, production growth and economic development of the union it served under SCAP. To fulfil the target of 4500 branches in 3 years that is by end June 1983, annual target is to be set at 1500 branches in a year.

An analytical study reveals that with existing arrangement, method of operation and expertise, six nationalised commercial banks could open only 883 branches in 1977-78 and 447 branches in 1978-79. The retarded growth is alarming. All the banks could not move equally. The biggest bank could open 109 new branches (both rural and urban) in 1978 and 138 in 1979.

Two other big banks demonstrated the ability of annual expansion by 127 and 92 branches in 1978 whereas another small bank could open only 82 new branches in the same year. To fulfil the target of wider geographical dispersal of bank branches in each unbanked union within next three years the existing expansion capacity of each bank must be increased five times. Only a well thought out consistent and coherent project with complete involvement and participation of all concerned can make this challenging task a success.

CSO: 4220

THREE DIESEL LOCOMOTIVES TO BE PRESSED INTO SERVICE SOON

Dacca THE BANGLADESH OBSERVER in English 28 Jan 80 p 11

[Text]

KHULNA, Jan. 27:--Three new diesel railway locomotives imported from Hungary will be pressed into service shortly on Khulna (Rupsa) -Bagerhat Broad Gauge Line for improvement of railway service in the area. This was stated here by an official of the Railways recently.

It may be mentioned here that 43 new diesel locomotives were imported from Hungary by the Railway under Hungarian Credit of 11.11 million dollars. Eight of those locomotives were discharged at Chalna Port recently by a ship

of the Bangladesh Shipping Corporation. Capt. (Retd) Nurul Haq Minister for Ports and Shipping who came here on a short visit was also present at Chalna Port during the unloading operation of these locomotives which were carried first time by a ship of Bangladesh.

According to Railway official 12 broad gauge and 18 meter gauge new diesel locomotives are also being imported from Japan under Saudi Credit in order to improve the railway communication in the country.

CSO: 4220

PROTECTION TO INDUSTRIES

Dacca THE BANGLADESH OBSERVER in English 17 Jan 80 p 4

[Text] Gradual substitution of imports and vigorous expansion of exports are essential for the attainment of a self-reliant economy. An import substitutes coordination committee has been constituted by the government and the committee has already started work to maximize utilization of existing capacities for import substitution and also to explore the new areas for import substitution. In this connection one may argue that strict ban should be imposed on the import of items which are manufactured locally and for which there exists sufficient capacity in the country. There is no denying the fact that in genuine cases industries need protection in the greater economic interest of the country. Protection enables diversification of industries. Protection is also advocated on the ground that it helps attain self-sufficiency at least in essential requirements and increase of employment opportunities within the country. The strongest argument for protection: "Nurse the baby, protect the child, free the adult." On the other hand, though the infant industry argument is the most strong argument for protection, the advocates of liberal trade criticize that protection tends to become permanent: "The infant industries never feel themselves grown up; if they grow up at all they devote their manly strength to fighting for bigger and longer protection." Before an industry is granted protection the Tariff Commission should examine whether it possesses natural advantages, such as an abundant supply of raw materials, power, labour and a large home market. The industry must be one which cannot develop without the help of protection in the initial stage and would eventually be able to face world competition.

Some industries have been enjoying protecting. It needs to be particularly mentioned here that protection is given to the industries and not to the industrialists. Our experience shows that once given protection industrialists appear to be smarting under a feeling of not to have grown up and under the cover of 'sheltered' market the poor consumers are fleeced. In case of shortage when government allow import of selected items which are also produced in the country the imported items even after payment of customs duties, etc. sell at a comparatively cheap price. This naturally

creates adverse reaction in the minds of the consumers who are compelled to pay higher price for swelling the profit margins of industrialists. Import-substitute local industries are no exception to this profiteering tendency. Industrialists have a moral obligation to the consumers and the society in return to the concessions and protection given to them at the cost of the national exchequer. Consumers would not grudge protection to genuinely deserving industries provided the benefits are passed on to them. Industrialists have to justify protection by their consumer-oriented services.

Sick and inefficient industrial units should be improved through balancing and modernization with emphasis on improvement in quality and product differentiation. Performance of industries enjoying protection should be reviewed periodically both from the national economic interest and consumer benefit points of view. While industries not fully utilizing the imported requirements for productive purposes should be strongly dealt with, fuller utilization of existing capacity in industrial units should be given the highest emphasis in the import policy. This could be ensured through adequate and regular supply of both local and imported raw materials, spares and power and improvement in managerial and technical skill.

We put special emphasis on the meaningful implementation of the import policy. Impediments like rigidity of conditions regarding import procedures, opening of letter of credit and bottlenecks at customs collecting points should be removed. Effective steps should be taken to issue licenses without delay from the date of the announcement of the policy in order to expedite imports, ensure adequate supply of commodities, stabilize prices and enable industries to work up to their capacities.

CSO: 4220

BRIEFS

JAPANESE LOAN--Bangladesh will receive over 1.5 billion taka from Japan under the commodity loan agreement. The loan will be for the purchase of various commodities like fertilisers, machinery and spare parts, cement, iron and steel supplies. The agreement was signed in Tokyo on 25 January by the Bangladesh Ambassador in Japan and the president of Overseas Economic Cooperation Fund of Japan. [Dacca Domestic Service in English 1705 GMT 5 Feb 80 BK]

NEW MINISTRIES--The Ministry of Sports, Culture and Religious Affairs has been split into two separate ministries. A decision to this effect has been taken at a meeting of the Council of Ministers. The two separate ministries are: the Ministry of Religious Affairs and the Ministry of Sports and Culture. Shamsul Huda Chowdhury will remain in charge of both the ministries. The decision comes into effect immediately. [Text] [BK011052 Dacca Domestic Service in English 1705 GMT 25 Jan 80 BK]

BANGLADESH-NEPAL AGREEMENT--Bangladesh signed a contract in Chittagong on 30 January with Nepal for the supply of railway sleepers for the rehabilitation of railway tracks between Dacca and Chittagong. The supply of sleepers is expected to be completed within the next 6 months. [BK011052 Dacca Domestic Service in English 0830 GMT 30 Jan 80 BK]

JAPANESE LOAN--Bangladesh will receive about 1.17 billion taka as a soft term loan from Japan. An agreement to this effect was signed between the two countries in Tokyo 25 January. The loan will be used to finance purchase of commodities such as chemicals, fertilisers, machinery and spare parts, cement, iron and steel materials. This is the seventh commodity loan agreement between Bangladesh and Japan. [BK011052 Dacca Overseas Service in English 0445 GMT 26 Jan 80 BK]

FOODGRAINS ALLOTTED FOR FEBRUARY--The Government has allotted 160,000 tons of rice and wheat for distribution in the country through the rationing system, the food for works programme and canal digging projects during February, says a PID handout. Of this 47,000 tons is rice and the rest is wheat. Allocation for the distribution systems will be canal digging and food for works programme 35,000 tons of wheat and statutory, modified and other rationing--125,000 tons of wheat and rice. The Government has also allotted 190,556 maunds of sugar for distribution during February and March. [Text] [Dacca THE BANGLADESH OBSERVER in English 31 Jan 80 p 12]

BURMA

BRIEFS

BRITISH AID FOR FISHERIES--Deputy Minister for Planning and Finance Dr Maung Shein and the British Ambassador Mr C L Booth today exchanged Notes concerning a grant of £3.1 million (about Kyat 44.17 million) to the Socialist Republic of the Union of Burma, for the Fisheries Development Project. Present on the occasion were officials of the British Embassy and agencies concerned. [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 26 Jan 80 p 1]

CSO: 4220

DOCUMENTS CALLING FOR UPPER ASSAM SECESSION SEIZED

Calcutta THE STATESMAN in English 24 Jan 80 p 9

[Text]

SHILLONG, Jan. 23.—Documents supporting secession, including handwritten posters, have been found in Sibsagar district of Upper Assam. The posters in English and Assamese were circulated in Burban areas, particularly in Jorhat, Golaghat and Sibsagar early in November. They were neither signed nor attributed to any organization.

They alleged that the Centre had been neglecting north-eastern States and called for a war of liberation on the Bangladesh pattern.

Sources believe that a large number of young men from Upper Assam are being given training in the use of arms. Since Mizo National Front regulars are training Tripuri tribals in the Chittagong hill tract, the young men may have taken the route to Tibet via Nagaland and Tirap. Apart from the Naga group which went to southern China, followers of Mr Biseswar Singh in Manipur wanted to go to Lhasa through Gorakhpur and Nepal.

One of the groups was intercepted and held in eastern Uttar Pradesh. The last Naga group which went to Yunnan under Mulvah and Isak Swu returned two years ago.

A new kind of posters in the first person appeared after Christmas exhorting people of the north-east to unite and build up a "golden Assam".

The posters called for action before the Lok Sabha results were known. They wanted transport links with rest of the country paralysed. They demanded that supply of tea and oil outside the region be cut off.

Early this year Shillong came on the propaganda map in a big way. One pamphlet has the parting sentence: "Bye bye India".

The alleged neglect of the area was equated with the alleged "colonial policy" of the Centre, described as the "Delhi bandits" by the Manipuri underground. The posters which said there should be a "United States of Asom" include Assam, Meghalaya, Manipur, Nagaland, Mizoram and Arunachal. Tribura was excluded because of linguistic factor. Some posters and leaflets carried slogans assuring help from foreign Powers which, however, have not been named.

Evaluation of the posters' credibility will take time since they have just started appearing in the Brahmanutra valley. The formation of the "United States" is more easily said than done. Reorganization of the north-east arose out of linguistic and cultural differences in the area.

Fears of an "invasion" by Bangladesh real or exaggerated, has brought about an unusual polarization of forces and personalities. Students and youths have come together over the foreign nationals issue which in effect, has a linguistic basis.

One does not know whether the Manipur-style insurrection will take place in Assam and Meghalaya. Mr Biseswar Singh is a follower of Mao. His advocacy of Maoism may not appeal to the Christian hill tribals. But that does not mean that they cannot make common cause.

INDIA

BRIEFS

ENVOY TO UNITED ARAB EMIRATES--Lalitendu Mansingh assumed charge as ambassador of India in Abu Dhabi on 29 January. [Excerpt [BK091101 Delhi ISI Diplomatic Information Service in English 0849 GMT 4 Feb 80 BK]

AMBASSADOR TO EL SALVADOR--Dileep Shankarrao Kamtekar, ambassador of India to Mexico, has been concurrently accredited as ambassador to El Salvador with residence in Mexico City. [BK091101 Delhi ISI Diplomatic Information Service in English 1503 GMT 30 Jan 80 BK]

CSO: 4220

BRIEFS

SAVANNAKHET COOPERATIVES--More than 160 cooperative agricultural units have been established in the province of Savannakhet, 495 km south of Vientiane, of which 88 were established this year. At present, the members of 148 cooperatives are completing their work for the improvement of cooperative management and are harvesting their rice and preparing for additional rice cultivation. [Text] [Vientiane BULLETIN QUOTIDIEN in French 20 Dec 79 p 8] 9174

KHAMMOUAN ELECTRICITY PRODUCTION--Vientiane (KPL)--This year, electrical workers in the province of Khammouan, 350 km south of Vientiane, have produced 1,233,302 kW/h of electrical current, installed 34 transformers, inspected the electrical system in more than 600 places and developed the electrical network. In addition, they have devoted themselves to agricultural production and cattle raising. [Text] [Vientiane BULLETIN QUOTIDIEN in French 20 Dec 79 p 8] 9174

XIENG KHOUANG COOPERATIVES--To date, 227 cooperative agricultural units with 30,254 members have been established in Xieng Khouang province in Northern Laos. Heading the list are the districts of Muong Pek with 94 and Muong Kham with 57 cooperatives. [Text] [Vientiane BULLETIN QUOTIDIEN in French 17 Dec 79 p 3] 9174

LUANG PRABANG LIVESTOCK--The number of domestic animals belonging to the people of Luang Prabang province has increased considerably compared to the preceding year; namely, 8,000 buffalo, 660 oxen, 1,830 hogs, 83 goats, and several tens of thousands of poultry. This is due to the introduction of new methods of cattle breeding, and to the solicitude and reliability of the inhabitants of this area. [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Dec 79 p 2] 9174

KHAMMOUAN GARMENT FACTORY--Vientiane (KPL)--Since the beginning of the year, the workers in garment factory No 2 in Khammouan province have made more than 13,200 shirts and pants, among 6,000 other [garments], and have mended a good many more. In addition to their occupational activities, they also perform agricultural and cattle raising tasks. [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Dec 79 p 3] 9174

CHAMPASSAK INDUSTRIAL PRODUCTION--Vientiane (KPL)--From this past January to November, the workers in the various plants in the province of Champassak in Southern Laos have made an all-out effort to attain the objectives set by the Party and the government. During that same period, 5,000,000 kW/h of electrical power, 6,878 skirts, 2,542 bath towels, and 2,983 sarongs were produced. In addition, since 2 December, workers in the milling machine shop have also produced 915 accessory machine parts, repaired 273 machines and manufactured 12,168 ploughshares. Workers in bakeries produced more than 400,000 loaves of bread, and workers in the fish sauce plant produced 14,000 liters. As for the craftsmen, 543 pots, 964 wash basins, 153 machetes and axes, 21 shovels, and more than 9,000 watering cans were produced, among other things. More than 2,150 tons of glass, more than 5,250 tons of noodles, more than 369,600 pieces of cake, 3,612 liters of alcohol, 745 ovens, more than 400 tons of charcoal, and 5,652 liters of soy sauce were produced. Tannery workers produced 7 tons of tanned hides. [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Dec 79 pp 3, 4] 9174

CSO: 4200

SOLIDARITY SOUGHT FOR CHINESE COMMUNITY

Selangor KIM KWOK DAILY NEWS in Chinese 6 Dec 79 p 5

[Text] Tan Khoon Chuan, local JP, member of parliament for Lobo district, stressed in Kuala Lumpur yesterday that although the echo of solidarity reverberates through the clouds, the present situation of the Chinese community is more dismal and pitiful than ever before.

Tan Khoon Chuan pointed out that this is not due to the fate of the Chinese community, but if our compatriots can make a cool-headed self-analysis, we still can control and grasp our own fate.

The MP made the above remarks while officiating at the opening ceremony of Chung Zhen Tang Polyclinic in Zengjiang New Village yesterday.

He said that the Chinese community is facing serious challenges in political, economic and cultural fields. He was convinced that many of his compatriots share and are concerned by this point.

All of us feel that our rights and position are declining day after day and we are fully aware that the only force to turn this worsening trend around is solidarity, he added.

Mr Tan declared: "It is not my intention to make this chaotic situation more chaotic. But I have always thought that although we are facing hostility on all sides, we are politically at a loss as to what to do, not knowing how to find a common ground. We keep shouting 'solidarity' and 'defend our rights' day and night, yet I believe that we still are unable to differentiate what the long-term and short-term interests of our community are.

"Consequently, I believe that we must continue our efforts on this score, searching our true common goal and the definition of rights for all walks of our community. This requires political education and collective study. This is not merely the task of a political party but mass organizations as well, thereby enabling the mass organizations to play a new role at the present time."

Earlier, during the opening ceremony of the polyclinic, Tan Khoon Chuan had praised the officials of the Chung Zhen Tang association who were determined to launch the polyclinic project, particularly chairman Tan Teck Joo, administrator Foo Eng Kit and the unstinted support of other directors and the membership. He said that by taking care of and offering medical treatment to the poor people, the polyclinic is doing an important, good samaritan job.

He said: "Man's greatest happiness is bringing happiness to the great masses of the people. Life's true meaning is making contributions to the masses. Today Chung Zhen Tang association is marching toward this noble goal, so I wish to express my highest respect to the entire directorate of this association and I do hope they will continue with their effort in their good deeds for the benefit of all."

9300

CSO: 4205

CHINESE TAKE ACTIVE PART IN POLITICS

Political Participation Encouraged

Selangor KIN KWOK DAILY NEWS in Chinese 16 Dec 79 p 12

[Text] In his most recent pep talk before a large audience, Datuk Chan Eng Som encouraged one and all to take part in political activity. He said: "Only in this way can we eventually gain a reasonable treatment in the fields of economics, culture and education."

He believes that it is inadequate for the Chinese compatriots to merely pay attention to politics, nor is it right to take part in politics in an amateurish way. We should actively take part in politics, he said, and only then can we effectively safeguard our fundamental interests.

It is an undeniable fact that since the founding of Malaysia more than 20 years ago, the position of Malaysian citizens of Chinese descent has been on the decline. Generally speaking, the Chinese are anxious and not knowing what to do, and invariably feel their needs in cultural, economic and educational fields unfulfilled in a satisfactory manner. On the other hand, our fraternal nationals have, under the New Economic Policy in the past 10 years, almost reached their economic goal. Under the present situation, thanks to the support of the government, the bumiputras have occupied and even surpassed the originally-set 30 percent in the economic field. This represents the first step toward the goal of making up the disparity between the rich and the poor. We should rejoice over the success of our fraternal bumiputras and, of course, face the fact that their fruit was borne out of their strong political strength.

Practically 100 percent of the 4 million ethnic Chinese in Malaysia cherish the aspiration of living here and dying here. The idea of going back to their fatherland in old age no longer exists today. However, living in this country as we do, we still think only of doing business and do not have time to take part in or even show concern about politics.

Political Participation a Must

Selangor KIN KWOK DAILY NEWS in Chinese 17 Dec 79 p 12

[Text] Honestly, at present it is impossible for you to ignore or show no interest in politics, because you are surrounded by politics in your real environment. All your actions carry a political factor. If you ignore it, it will look for you; if you show no interest in it, it will knock at your door. Therefore, it is correct to be involved in politics and to be interested in it. And you shouldn't be blamed too much if you take an active part in politics.

As a matter of fact, our ancient sages did encourage our Chinese compatriots to take an active part in politics and show concern over state affairs, such as the late Sir Tun Tan Cheng Lock who founded the Malayan Chinese Federation and fought for the civil rights and interests of innumerable Chinese people. On this score our prophetic forefathers did set a good foundation for the Chinese people. According to reports, before the independence proclamation on 31 August, 1957, only 10 percent of the entire 2 million-odd Chinese in Malaysia were citizens. Thanks to the previous political leaders' efforts in active struggling and negotiations, in cooperation with fraternal parties, they managed to grab the legitimate rights and position for the Chinese majority. Furthermore, they actively volunteered to help and register other Chinese who had not attained their Malaysian citizenship to become Malaysian citizens. Come to think of it, if a foreigner wants to apply for Malaysian citizenship today, the procedures are enough to give you a headache.

The Chinese in Malaysia are citizens of our country. They always take part in politics, but not many in number. The majority think that it is best to be engaged in business. Of course there are some Chinese who are well-educated, have foresight and talents and go out to take an active part in politics. These people even sacrifice their time, energy, money and position to strive for the nation's progress and prosperity and for better livelihood of all nationalities through political activity.

9300

CSO: 4205

COURAGEOUS ORGANIZATION SAID TO BE NEEDED

Selangor KIN KWOK DAILY NEWS in Chinese 16 Dec 79 p 6

[Text] Yeo Po San, head of Selangor public service bureau of Malayan Chinese Federation and concurrently chairman of Petaling National Front, declared that what the Chinese community needs urgently at present is a courageous, representative organization to protect and strive for our legitimate interests.

He said: "An emotional outburst doesn't help the situation. Reviling or blaming others cannot change our fate or brighten our future. On the contrary, our urgent task should be to think and plan intelligently and calmly to find an effective way out for the general welfare of the Chinese society."

Mr Yeo, a lawyer by profession, made the above remarks at the inauguration of a certain sub-branch of Malayan Chinese Federation and investiture of its new officers.

He said: "In its 30 years' history, Malayan Chinese Federation has transformed itself from a welfare association into the nation's second largest political party. Its varied experiences, tempered and tested by the wheel of time, have gone through the budding stage into the ripening stage and objectively fulfilled all required premises to become the only political organization that represents the interests of the Chinese race.

"The rapid growth of our association can be attested by the inauguration of its many branches one after another. In Petaling district alone, four new branches were founded this year and several others are being actively organized.

"Although party members of the new branches are mostly educated purely in English schools, this proves that Malayan Chinese Federation is a political party that does not divide class and educational background. To promote the mastery of their mother tongue and the understanding of the fine traditions of their ancestral culture, the public service bureau of the new branches will open Chinese language courses soon."

Mr Yeo rebutted those selfish persons who often criticized the "impotence" of Malayan Chinese Federation but who refused to raise a finger and take an active part in politics. He said that if they wish to join the federation, they must first of all ask themselves: "What can I do for the party? Only then can they enjoy the right to criticize the party and bring forward constructive opinions. Otherwise we are bound to suspect their motive in discussing our association."

Earlier, the chairman of the branch party, Chan Hao Hong, said in his welcoming speech that within three short months, new party members are increasing in number since the founding of the sub-branch, thanks to the cooperation and help of all concerned.

9300

CSO: 4205

SAUDI DEVELOPMENT TEAM CONSIDERS ECONOMIC AID

Karachi MORNING NEWS in English 2 Feb 80 p 1

[Text] Mr Jamil Ameen Director Project Appraisal Division of the Saudi Fund for Development said here yesterday that Saudi Arabia was keen to further economic cooperation with Pakistan.

Talking to newsmen at Karachi airport on arrival here yesterday on an eight-day visit Mr Ameen said Saudi Arabia wanted to help further Pakistan's economic development.

He said Saudi Arabia was keenly interested in the industrial development of Pakistan and therefore gave preference helping Pakistan in its industrialisation.

He said the Saudi delegation would hold discussions with WAPDA authorities regarding the Tarbela Dam repair and modification project for which the Saudi Fund for Development had already agreed to provide 166 million Saudi riyals.

He said the Fund had so far agreed to contribute 50 million Saudi riyals for Port Mohammad Bin Qasim. The mission would also evaluate progress made so far in the construction of 200 megawatt KESC thermal power station at Pipri for which 306 millions Saudi riyals had been sanctioned he said.

He also said that the Fund had agreed to cofinance railway locomotive purchase programme to the tune of 53 million Saudi riyals.

Mr Ameen said Pakistan had asked the Fund for loan for a number of industrial projects. These request were under consideration and before any loan was sanctioned the Fund would collect facts and figures and evaluate the feasibility report on the projects.

Mr Ameen who is accompanied by a four-member delegation during his visit will hold talks with Pakistan Government officials on ways and means of expanding bilateral economic cooperation between the two countries.

During its stay in Karachi the Saudi delegation members will visit port Qasim and the Karachi Electric Supply Corporation. The Saudi delegation is scheduled to leave for Lahore on Feb. 4 and will later visit Islamabad.

PAKISTAN

NATION'S TRADE IMBALANCE WIDENS

Karachi MORNING NEWS in English 28 Jan 80 p 7

[Text]

Pakistan's trade imbalance during the first quarter of the current fiscal year has increased by more than Rs. 148 million over deficit suffered in the same period of last fiscal year.

According to the official figures available here, the trade imbalance during the period of July to September 1979 has amounted to Rs. 5,683.6 million as against Rs. 4,335.2 million suffered in the same period of 1978.

During this period Pakistan's exports recorded increased of more than 33 per cent and jumped over to Rs. 4,351.1 million from Rs. 2,942.1 million and as against this imports during the first quarter of current fiscal year increased by about 23 per cent and were worth Rs. 9,214.7 million as compared to imports valued at Rs. 7,377.3 million in the same period of 1978-79.

Trade imbalance has been contained substantially owing to the considerable increase in exports in the current fiscal year with simultaneous efforts to narrow down imports.

CSO: 4220

UREA FERTILIZER DISTRIBUTED IN BALUCHISTAN

Karachi MORNING NEWS in English 30 Jan 80 p 4

[Text] Quetta, Jan 29: In Baluchistan about 80,000 bags of fertilizer have so far been distributed among the farmers at subsidized rates too boost wheat production in the province during the current rabi season.

Director Agriculture, Mr Zulfikar Ali Khan told in Quetta this morning that for this purpose 55 sales depots have been set up throughout the province to ensure supply of fertilizer and wheat seed to the farmers at the places nearer to their farms. He said that the distribution of more fertilizer at these depots is in progress.

He said a target area of four lakh sixty two thousand acre of lands has been fixed for wheat cultivation in Baluchistan; while a production target of 200,000 tons of wheat has been fixed in the province during this rabi season.

Wheat requirement of the province is about three hundred and fifty thousand tons. Thus it is about 45 percent less than the total consumption of wheat in the province. The deficit would be met by the Federal Government.

He said that the Government has arranged 25,000 maunds of high yielding improved wheat seed for distribution among the farmers in the province during the current rabi season. He said that the distribution of wheat seed at the sales depots are also in progress.

He said that the recent rains and snow fall have brightened up the prospect for better crop. Keeping this in view more nonirrigated lands would be brought under plough.--APP

CSO: 4220

PAKISTAN

BRIEFS

ROMANIAN PROCOTOL--Pakistan and Romania signed in Islamabad 9 February a protocol providing for cooperation in the economic, technical, scientific and agricultural fields. The protocol was concluded at the end of the 6-day deliberations of the sixth session of the Pakistan-Romanian joint governmental commission for economic, technical and scientific cooperation. [Karachi Domestic Service in English 1700 GMT 9 Feb 80 BK]

SWISS RELIEF GOODS--A Swiss cargo plane with about 27,000 pounds of relief goods worth over 1.5 million rupees for the Afghan refugees arrived in Islamabad 9 February. This was the second relief consignment from Switzerland comprising blankets and milk powder. [Karachi Domestic Service in English 1700 GMT 9 Feb 80 BK]

CSSR BARTER ACCORD--Pakistan and Czechoslovakia signed a special barter agreement in Islamabad 7 February providing for the exchange of goods worth \$5 million. Pakistan will export to Czechoslovakia raw cotton, molasses, oil cakes, dried fruit, vegetables, spices, fishmeal and leather in exchange for fertilisers. [Text] [Karachi Domestic Service in English 1700 GMT 7 Feb 80 BK]

ABU DHABI AGREEMENT--An agreement was signed in Karachi on 6 February under which Abu Dhabi is to buy 50,000 tons of best quality rice, valued at about \$35 million, from Pakistan. Shipment of the rice is to begin as of July. [Karachi Domestic Service in English 1005 GMT 6 Feb 80 BK]

EXPORTS RISE--Pakistan exported goods worth about \$997 million during the first 6 months of the current financial year registering an increase of about 49 per cent over the exports during the corresponding period of last year. [Text] [Karachi Domestic Service in English 0300 GMT 8 Feb 80 BK]

FREE TRADE ZONE--The president has promulgated an ordinance to establish an export processing zone authority. The authority shall prepare a master plan and program for the development of the zone. The president also issued another ordinance to further amend the import and export control act of 1950. [Karachi Domestic Service in English 0300 GMT 7 Feb 80 BK]

COUNTRY'S EXPORTS MAY REACH \$2,250 MILLION--The country's exports are expected to touch 2,250 million dollars this year, registering an increase of 600 million dollars over the last year. This was stated by the Secretary, Economic Affairs Division, Mr Aftab Ahmad Khan, in a radio interview tonight. He said, the original estimates of exports for the current fiscal year was 1,900 million dollars. Thus the expected performance in this field would show an improvement of 350 million dollars over the original estimates. He said keeping in view the assistance that Pakistan would be receiving from external donors, including the world bank, the IMF, the OPEC brothers, the Asian development Bank, the consortium countries, plus the availability of short term credits, the balance of payments position would remain comfortable. He said the country's foreign exchange reserves which had been under constant strain in the past, had now come out of the worst and would be registering an upward trend. As regards remittances, there might be an addition of 10 percent over the last year's figures. Mr Aftab Ahmad Khan pointed out that, our imports had already been contained to the maximum possible extent and further reduction in them would only be possible after notable advances in agriculture and industry. Mr Aftab Ahmad Khan said that economy in the last two and a half years had moved out of the phase of stagnation and was well launched on a respectable growth path. [Text] [Karachi MORNING NEWS in English 5 Feb 80 p 1]

CSO: 4220

BRIEFS

CHINESE EXPERTS TEAM--Power and Highways Minister D. B. Wijetunga announced on 5 February that a six-member team of Chinese experts will arrive to advise the government on setting up a number of minihydroelectric power plants in Sri Lanka. The visit of the Chinese team is a sequel to Prime Minister Premadasa's recent trip to China. [Colombo International Service in English 1045 GMT 6 Feb 80 BK]

BELGIAN GRANT--Belgium is providing a 50 million rupee nonrepayable outright grant to Sri Lanka. This was disclosed at the discussion held on 1 February between the visiting Belgian minister of development and cooperation and the Sri Lanka minister of finance and planning. The grant will be utilized for the integrated rural development and Mahaweli downstream project. [Colombo International Service in English 1045 GMT 2 Feb 80 BK]

CSO: 4220

OFFICIAL SPOKESMAN CLARIFIES HANDLING OF KAOHSIUNG RIOTERS

OW021055 Taipei CNA in English 0940 GMT 2 Feb 80 OW

[Excerpts] Taipei, Feb. 2 (CNA)--A spokesman for the Taiwan Garrison Command announced Friday that at present 61 persons are being held in custody in connection with the December 10 Kaohsiung riot.

The spokesman stressed that the Kaohsiung incident is purely a legal matter.

He refuted "false charges" made by Chinese Communists and "Taiwan independence" advocates that the government of the Republic of China is clamping down on the oppositionists in the name of the incident and that the total number of such oppositionists arrested has now surpassed 500.

"These false charges apparently were intended to defame the government of the Republic of China, to confuse world opinion, and to create international misunderstanding," he said.

"By twisting the purely legal case into a political one, these deceitful and malicious accusers (?try) to cause difficulties to the Republic of China," he said.

He said four more persons involved in the Kaohsiung riot planned by the Formosan magazine group have recently been released on bail. They were Lin Mao-shun (29), Chang Chin-chang (32), Yang Feng-yung (30) and Wang Chin-li (28), all males.

Of the 61 still in custody, 53 are charged with sedition and the remaining eight are charged with providing cover for an alleged seditionist.

According to the Taiwan Garrison Command, investigation is still being conducted on the suspects in custody. The nation's law stipulates that the investigation period should not exceed 2 months, but may be extended for another 2 months if the situation dictates.

All the suspects will be openly tried by appropriate courts, either military or ordinary, depending on the crimes they have committed.

TAIWAN

ECONOMICS MINISTER ADDRESSES FOREIGN DIGNITARIES

OW220311 Taipei CNA in English 0243 GMT 22 Jan 80 OW

[Text] Taipei, Jan. 22 (CNA)--Economics Minister Chang Kwang-shih told some 30 foreign dignitaries Monday that he believes the Republic of China will be able to achieve an 8 percent economic growth despite the hardships it has suffered in international affairs and the energy crisis that may cause an economic slowdown.

Minister Chang made the remarks when he met with the foreign guests who are in Taipei to take part in the week-long activities from Jan. 19-25 marking world freedom day, which falls on Jan. 23. At the meeting, Chang and other Chinese trade officials had an extensive exchange of views with them on expanding trade and economic relations between the Republic of China and their countries.

Answering a question by A.A.M.E. Van Erp, a member of the Lower Chamber of the Netherlands, Chang said the Republic of China's oil bill amounted to USdollars 2.2 billion last year while its exports in the same year totaled USdollars 17.6 billion.

This year the oil bill is expected to double to US dollars 4.4 billion, and total exports may reach US dollars 19.5 billion.

Allen Keyte, an executive of a British journal, THE INTELLIGENCE DIGEST, suggested that the Republic of China and Britain should set up trade organizations in each other's country and encourage investments and other cooperation. He also called attention to the problem that some of the machine parts exported from Taiwan were copied from British products.

S. K. Shao, director of the Board of Foreign Trade, told Keyte that the Chinese Government welcomes British businessmen to make investments in Taiwan to further the two countries' development in the machinery industry. He explained that many products exported from Taiwan were replicas produced by local factories according to samples provided by their foreign buyers.

He said the Board of Foreign Trade prohibits exports in Taiwan to copy patented products of other countries. Any violator will be duly punished if a complaint backed by proof is filed with the board.

Bertil Haggman, chairman of the Free Asia Association of Sweden, expressed the hope that the Republic of China can establish an organization in their country to promote mutual trade.

H. K. Wu, secretary-general of the China External Trade Development Council, told him that the [words indistinct] inviting Swedish business leaders to visit Taiwan. It is also applying to the Swedish Government to set up a trade promotion organization.

Economics Minister Chang, in answering a question from French parliamentarian Jean Desanli, said the Republic of China keeps its doors open to international businessmen who wish to visit Taiwan to promote trade and economic relations. He urged the foreign dignitaries present at the meeting to make suggestions to their government to adopt a similar policy, so that business and industry leaders from the Republic of China may visit their countries.

The participants were entertained at a luncheon after the meeting.

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BRIEFS

PERU NEWS AGENCY AGREEMENT--Taipei, Jan. 26 (CNA)--The Central News Agency of the Republic of China and the Andina News Agency of the Republic of Peru signed an agreement Saturday in Taipei to exchange news items and step up cooperation. The agreement was signed by Frank C. C. Lin, president of the Central News Agency (CNA), and Oscar Torres Llosa, director general of the Information Bureau of Peru. Speaking at the signing ceremony, Lin said the agreement will promote understanding and cooperation between the peoples of the two countries. It will also strengthen the cooperation between the mass media of the two countries, he added. Torres also stressed that the agreement will promote friendly relations between the two peoples. Dr. Ma Hsin-yeh, board chairman of the Central News Agency, delivered a congratulatory speech at the ceremony. Ma is formerly ambassador of the Republic of China to the Republic of Panama. Under the agreement, Andina is authorized to receive and disseminate news stories and information of CNA in Spanish. In return, CNA is authorized to receive and disseminate news stories and information of Andina. News stores of Andina will be transmitted to the CNA through the CNA's office in Lima. [Text] [OW261455 Taipei CNA in English 1415 GMT 26 Jan 80 OW]

KAOSHIUNG TREASON CHARGES DROPPED--Taipei, Feb. 4 (CNA)--The military prosecution Monday dropped treason charges against two of the 61 detainees involved in the Kaohsiung riot, the Taiwan Garrison Command [TGC] said Monday. TGC said there is not enough evidence against Yao Kuo-chien and Chiu Sheng-hsiung to warrant a treason charge. The two men will be turned over to the Kaohsiung District Procurator's Office for prosecution, TGC added. [Excerpts] [OW041035 Taipei CNA in English 0930 GMT 4 Feb 80 OW]

RIOTERS RELEASED--Taipei, Jan 28 (AFP)--Four out of the total 65 arrested in the December 10 Kaohsiung riot have been released, the Taiwan Garrison Command announced today. The spokesman did not give the names of the released. He said that if investigators should find that any of the arrested had not been involved in sedition, they would be turned over to civil courts for indictment. The others will be tried by a military tribunal in a public trial as soon as the investigation has been completed, the spokesman added. [Text] [OW281133 Hong Kong AFP in English 1052 GMT 28 Jan 80 OW]

PARLIAMENTARY ELECTIONS--Taipei, Feb. 5 (CNA)--Election of the parliamentarians in the Republic of China will be resumed as soon as the law governing the election and recall of officials is passed, Ma Chi-chuang, member of the

Kuomintang Central Standing Committee, said Monday. Speaking at an annual meeting for professors at National Tsing Hua University held on Monday, Ma said that the Kaohsiung riot will by no means represent a setback of democratic politics in this country, and the election of the parliamentarians will be resumed soon. The election, which was scheduled to be held in December, 1978, was postponed as a result of the severance of diplomatic relations between the Republic of China and the United States. He said that the Kaohsiung riot is nothing but a legal case. The government will handle the case according to law, Ma said. Speaking of jurisdiction of courts, Ma said that courts at all levels will be under the jurisdiction of the judicial yuan instead of the executive yuan soon. Over 600 professors from National Tsing Hua University, National Chiao Tung University, National Central University, Chung Yuan Christian College of Science and Engineering, Chungcheng College of Science and Engineering and Chungcheng College of Science and Technology participated in the meeting. [Text] [OW050509 Taipei CNA in English 0233 GMT 5 Feb 80 OW]

JAPANESE DIETMAN VISITS--Taipei, Jan. 26 (CNA)--Shintaro Ishihara, a Japanese Dietman, Friday called on Premier Sun Yun-suan to exchange views on the present world situation. Ishihara said that Asian peace depends on the close cooperation among the Republic of China, the Republic of Korea and Japan. He also praised the great achievements in the Republic of China. Ishihara was invited to take part in the world freedom day activities. It is his third visit to the Republic of China. He arrived here Wednesday and is due to depart on Saturday. [Text] [OW260412 Taipei CNA in English 0300 GMT 26 Jan 80 OW]

REFUGEE CENTERS--Makung, Penghu, Jan. 11--The government had three more refugee reception centers constructed in Penghu to accommodate 2,500 more freedom defectors from Indochina, a spokesman of the Indochina refugee reception center said Thursday. Tseng Chun-sheng, director of the center, said that the three new centers are located separately in Chihtung, Tungchang and Chienshan in Penghu. The Chihtung center has a capacity of 1,000 persons with the nine apartment buildings, the Tungchang center, 500 persons with two apartment buildings and the Chienshan, 500 persons with six buildings. [Text] [Taipei CNA in English 0257 GMT 11 Jan 80 OW]

RESETTLEMENT RESTRICTIONS EASED--Taipei, Jan. 28 (CNA)--The entry and exit department of the Ministry of the Interior said restrictions on the entry of ethnic Chinese in Vietnam, Cambodia and Laos have been eased. Since May 1975, when three Indochina countries fell to the communist hands, ethnic Chinese who had managed to flee to Thailand or other areas have requested entry to Taiwan. Requests have been filed by their relatives or friends already in Taiwan. The entry and exit department said the government has been doing what it can in bringing ethnic Chinese to Taiwan for resettlement here. "But ours is a crowded country, and besides we have to be on guard against possible infiltrators," an official said. At present, 32,000 applications from ethnic Chinese who have fled Vietnam, Cambodia and Laos, have been received. They will be processed according to the priorities, which the authorities refused to reveal on security reasons. One of the restrictions removed is the clause that refugees must have lived in non-communist areas for at least five years. [OW281141 Taipei CNA in English 0940 GMT 28 Jan 80 OW]

TRADE MISSION IN ARGENTINA--Buenos Aires, 28 Jan--A trade mission organized by the Chinese National Federation of Industries concluded a 3-day marketing research here Monday and left for Asuncion, Paraguay, Monday morning. The mission led by Hung Kua, member of the Chinese National Federation of Industries, flew into Buenos Aires Saturday night. Members of the mission made a 1-day sight-seeing tour Sunday. The mission was originally to call on the Chamber of Commerce of Argentina and the scheduled meet was cancelled due to its tight schedule. [Text] [OW291451 Taipei CNA in English 1006 GMT 28 Jan 80 OW]

TECHNOLOGICAL ASSISTANCE--Taipei, 29 Jan--The government will provide technological assistance to local industries to renew plant equipment and upgrade quality of their products, the Board of Foreign Trade said today. To cope with increasingly keen competition from other developing countries and communist China, the Board of Foreign Trade will stress strict quality control and add new items for export, an official said. The Board of Foreign Trade will follow President Chiang Ching-kuo's instruction, given at a meeting today, to introduce advanced foreign technology to upgrade the local industrial level, the official said. [Text] [OW291451 Taipei CNA in English 1439 GMT 29 Jan 80 OW]

FISHERY ACCORD WITH HONDURAS--Taipei, 31 Jan--The Executive Yuan approved a 3-year extension of a fishery technology cooperation agreement between the Republic of China and the Republic of Honduras, the Ministry of Foreign Affairs said Thursday. The Foreign Ministry said that the Sino-Honduras fishery agreement was first signed on 6 April, 1974. The second extension of the agreement, which was signed recently between Honduras Foreign Minister and the Chinese Ambassador to Honduras, was approved by the Executive Yuan Thursday. The extension will be effective until the end of 1982. The Chinese fishery mission serving in Honduras has been highly praised for their technical assistance extended to Honduras, especially in the fish culture industry. [OW021435 Taipei CNA in English 1356 GMT 31 Jan 80 OW]

AGRICULTURAL MODERNIZATION--Taipei, Jan. 10--Economics Minister Chang Kwang-shih said Wednesday that the government of the Republic of China has envisaged spending NTdollars 287,000 million (USDollars 7,986 million) for the implementation of a 10-year agricultural modernization and development plan. Chang made the disclosure when he delivered a speech at the opening ceremony of the international symposium on recent advances in food science and technology held at the Grand Hotel in Taipei. He said under the plan, which is under way, the government will invest NTdollars 78,000 million (USDollars 2,166.7 million) for promoting farm mechanization, NTdollars 102,000 million (US dollars 2,833.3 million) for construction and improving irrigation facilities, NTdollars 14,000 million (USDollars 388.9 million) for establishing agricultural transportation and marketing facilities, NTdollars 26,000 million (USDollars 722.2 million) for forestry development, NTdollars 52,500 million (USDollars 1,458.3 million) for fishery development, NTdollars 10,600 million (USDollars 294.4 million) for development of land resources and NTdollars 4,400 million (USDollars 122.2 million) for rural community welfare. Chang also disclosed the government's attempt to establish a modern food processing industry. He said a modern food processing industry will serve the purpose of attaining agricultural self-sufficiency. [OW111341 Taipei CNA in English 0324 GMT 10 Jan 80 OW]

TRADE WITH U.S., JAPAN--Taipei, Jan. 9--The Republic of China's surplus in her trade with the United States has declined from US\$2,600 million in 1978 to US\$2,260 million in 1979, an official source said Wednesday. He said the two-way trade between the two countries totaled US\$9 billion in 1979 with the Republic of China's exports to the U.S. amounting to US\$5,670 million and imports US\$3,380 million. The government of the Republic of China has made great efforts to improve the trade balance between the two countries he said. However, the Republic of China suffered a deficit of US\$2,320 million in her trade with Japan in 1979, with exports to that country totaling US\$2,240 million as compared with imports of US\$4,560 million. The deficit in trade with Japan was US\$2,100 million in 1978. However, the official said, this country's exports to Japan grew faster than imports last year. The growth rate of exports reached 43 percent in 1979, and imports 24 percent. [Text] [OWO91417 Taipei CNA in English 1343 GMT 9 Jan 80 OW]

FOREIGN TELECOMMUNICATIONS--Taipei, Feb. 4 (CNA)--The international fast facsimile service will be available Tuesday with the Philippines and will begin to serve Australia on February 7, the International Telecommunications Administration said Monday. Fast facsimile service has already been in service with Hong Kong, Singapore, Bahrain and the United States, including New York, Washington, D.C., San Francisco, Miami, New Orleans, Hawaii and Guam. As to other cities in the United States delivery can be made either via U.S. domestic facilities or by mail, the ITA said. In addition to the forthcoming inauguration of such service with Australia on February 7, the ITA has been trying to have this service extended in a couple months to Argentina, Salvador, Jamaica and Puerto Rico, the ITA said. For NTdollars 400 a sheet of A4 size (276mm x 193mm) of documents such as legal papers, invoices, graphs with text in all languages can be transmitted in a matter of minutes. Simply take the originals to the ITA business office at No 28 Hanchow S. Rd., Sec. L, Taipei for immediate transmission, the ITA noted. [Text] [OWO41415 Taipei CNA in English 1348 GMT 4 Feb 80 OW]

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